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The Aluminum Situation

Department of Economics and Statistics **May 1987**

1st Quarter Shipments Up Slightly

Total industry net shipments for three months 1987, at an estimated 4,035 million pounds, were up 0.8 percent from the three month 1986 total of 4,005 million pounds.

Domestic shipments of 3,750 million pounds were 0.1 percent greater than the three month 1986 total of 3,744 million pounds.

Imports of ingot and mill products were up 3.5 percent and exports were up 9.6 percent.

Thru March 1987

	3 Mos. 1987	3 Mos. 1986	% Change
Mill Products	3,166	3,128	+ 1.2%
Ingot	869	877	- 0.9%
Total	4,035	4,005	+ 0.8%
Less Exports	285	261	+ 9.5%
Domestic Total	3,750	3,744	+ 0.1%

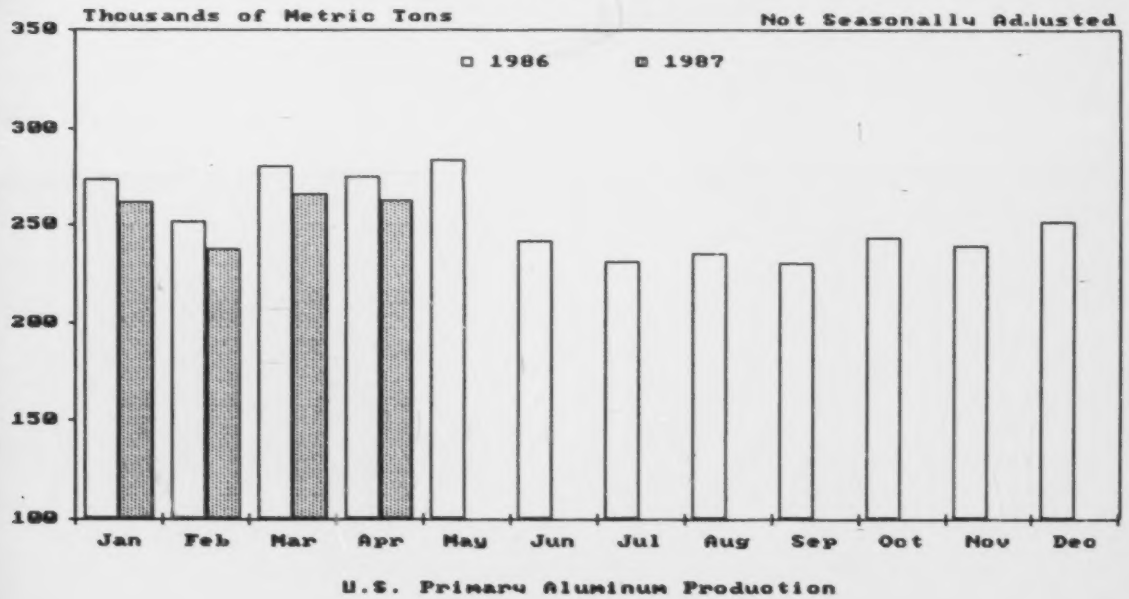
Millions of Pounds
Source: Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census.

Production Rate Down 4.3 Percent

U.S. primary aluminum production averaged 8,764 metric tons daily during April 1987, compared with an average 9,160 metric tons per day in April 1986.

The annual rate of production in April 1987 was 3,199,041 metric tons, compared to 3,343,315 metric tons in April 1986. The March 1987 annual rate was 3,131,240 metric tons. Actual production in April 1987 was 262,935 metric tons.

Primary Production

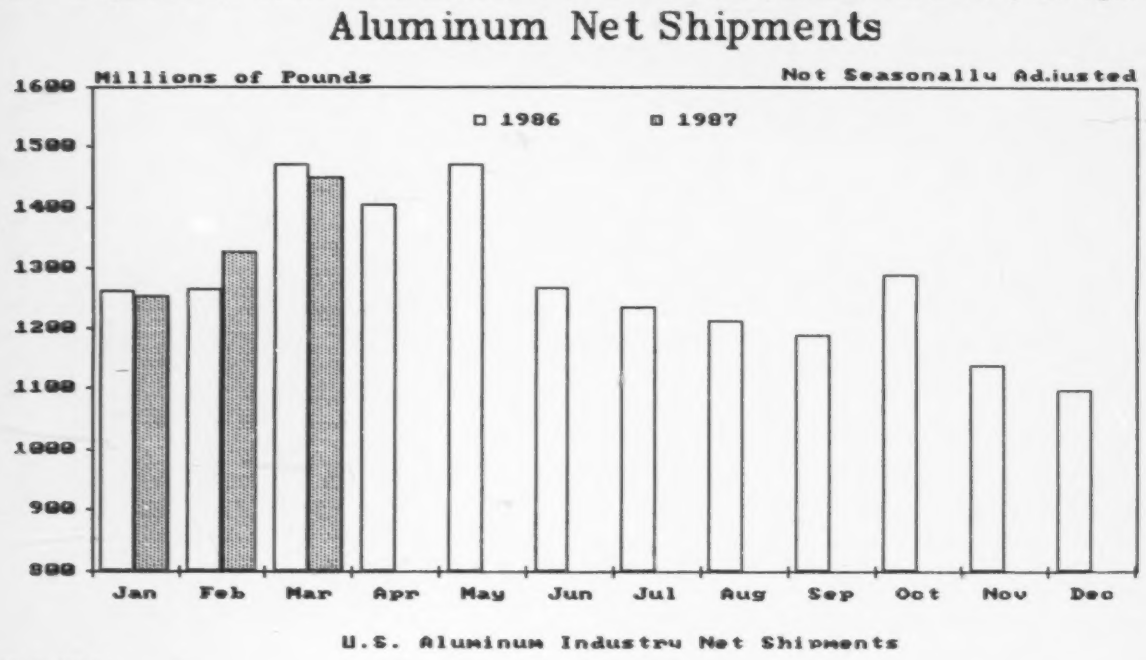


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 0.8 Percent

Estimated total industry net shipments of 4,035 million pounds for three months of 1987 were up 0.8 percent from the three month 1986 total of 4,005 million pounds. Exports were up 9.5 percent. Domestic shipments showed a 0.1 percent increase over a year ago. March shipments of 1,450 million pounds were down 1.5 percent versus a year ago.



U.S. Aluminum Industry Net Shipments

Net Shipments

(Millions of Pounds)

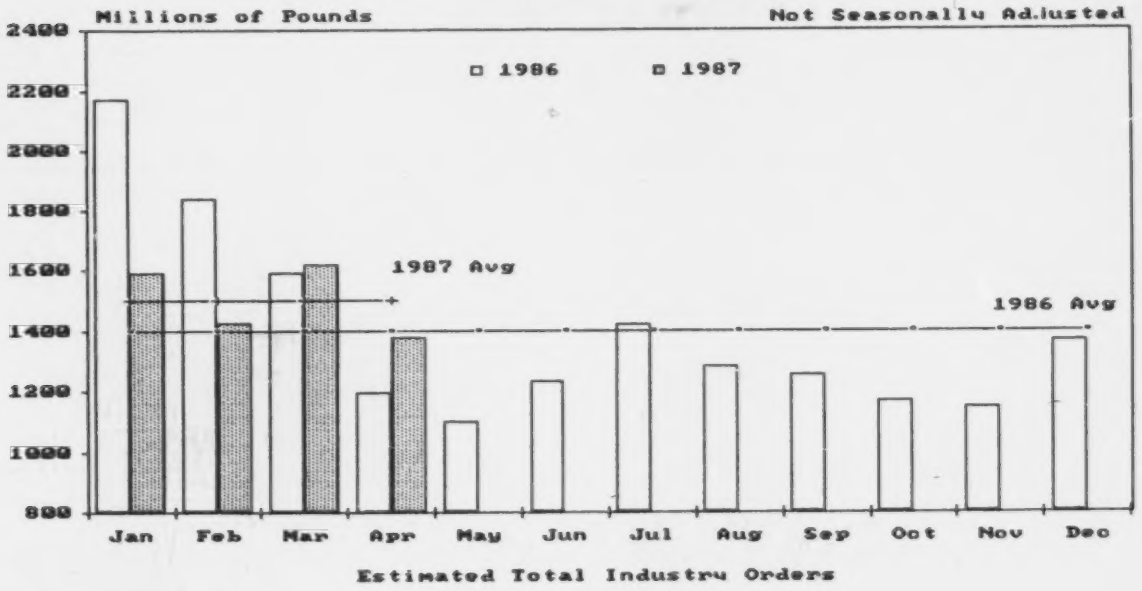
	1987* Mar.	1986 Mar.	1987 3 Mos.	1986 3 Mos.	% Change YTD 1987 vs. 1986
Sheet	608.0	584.0	1,660.6	1,607.8	+ 3.3%
Plate	26.0	24.9	70.3	67.0	+ 4.9%
Foil	78.0	79.6	219.3	227.9	- 3.8%
Rod, Bar & Wire	30.0	32.9	88.7	94.5	- 6.1%
Electrical Conductor	56.0	58.0	144.6	152.9	- 5.4%
Extruded Shapes & Tube	245.0	229.3	679.8	676.6	+ 0.5%
Powder & Paste	10.0	8.7	22.4	24.3	- 8.0%
Forgings & Impacts	13.0	12.2	37.4	37.4	0.0%
Net Imports of Mill Products (Total)(a)	84.0	77.9	243.0	239.2	+ 1.6%
Total Mill Products	1,150.0	1,107.5	3,166.1	3,127.6	+ 1.2%
Ingot(b)	300.0	365.1	869.1	877.4	- 0.9%
TOTAL INDUSTRY SHIPMENTS	1,450.0	1,472.6	4,035.2	4,005.0	+ 0.8%
Exports	100.0	71.5	285.5	260.6	+ 9.5%
TOTAL DOMESTIC SHIPMENTS	1,350.0	1,401.1	3,749.7	3,744.4	+ 0.1%

*Latest month estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

April Net New Orders Up 15 Percent vs. Year Ago

Estimated net new order receipts for four months of 1987 at 6,005 million pounds were down 11.5 percent versus the first four months of 1986 total of 6,783 million pounds. April orders of 1,374 million pounds were up 15.1 percent versus a year ago.

Order Receipts



Order Receipts

(Millions of Pounds)

	1987* April	1986 April	1987 4 Mos.	1986 4 Mos.	% Change YTD 1987 vs. 1986
Can Stock(a)	273.3	183.5	1,316.7	1,376.9	- 4.4%
Sheet & Plate, Other	407.6	284.0	1,734.3	1,536.0	+12.9%
Foil	95.1	66.1	332.8	304.0	+ 9.5%
Rod, Bar & Wire	33.0	27.2	136.4	127.3	+ 7.1%
Electrical Conductor	64.3	54.4	225.5	221.2	+ 1.9%
Extruded Products	286.8	217.3	1,324.2	1,026.2	+29.0%
Powder & Paste	4.2	6.8	16.4	31.1	-47.3%
Forgings & Impacts	8.5	7.9	47.3	46.0	+ 2.8%
Domestic Mill Products	1,172.8	847.2	5,133.6	4,668.7	+10.0%
Ingot (Total)	128.6	299.6	570.7	1,803.6	-68.4%
TOTAL DOMESTIC	1,301.4	1,146.8	5,704.3	6,472.3	-11.9%
Exports	72.2	46.4	300.7	310.9	- 3.3%
TOTAL ALL PRODUCTS	1,373.6	1,193.2	6,005.0	6,783.2	-11.5%

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

Producer Inventories Decline by 50 Million Pounds in March

Producer inventories decreased an estimated 50 million pounds in March 1987 from the revised February 1987 level of 4,864 million pounds

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated**	Smelters	Non-Integrated
Dec 84	5,850	4,692	229	929
Month	**Total***	**Ingot**	**Scrap**	**All Other**
Dec 85	5,165 -	2,235	567	2,363
Apr 86	5,097	1,795	560	2,743
May 86	5,045	1,840	591	2,614
Jun 86	5,043	1,959	614	2,471
Jul 86	5,084	1,998	625	2,461
Aug 86	5,059	2,058	626	2,375
Sep 86	4,976	1,995	647	2,334
Oct 86	4,927	1,896	622	2,409
Nov 86	4,902	1,879	598	2,425
Dec 86	4,928	1,971	632	2,324
Jan 87	4,947r	1,933r	601r	2,413r
Feb 87	4,864r	1,747r	593r	2,524r
Mar 87	4,814	1,665	592	2,557

*Latest month estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. **Number of integrated producers lower effective January 1987.
Early estimates are available approximately the 5th working day each month; however; there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1987 Mar.	1986 Mar.	1987 3 Mos.	1986 3 Mos.	% Change 1987 vs. 1986
Imports	Mill Products	93.8	88.8	265.2	270.3	- 1.9%
	Ingot	221.4	280.9	721.3	682.6	+ 5.7%
	Total	315.2	369.7	986.5	952.9	+ 3.5%
	Scrap (+ dross)	33.0	24.3	108.8	78.9	+37.9%
	Grand Total	348.2	394.0	1,095.3	1,031.8	+ 6.2%
Exports	Mill Products	52.9	31.5	151.8	116.3	+30.5%
	Ingot	47.0	39.9	133.7	144.3	- 7.3%
	Total	99.9	71.4	285.5	260.6	+ 9.6%
	Scrap	72.6	57.1	189.5	199.8	- 5.2%
	Grand Total	172.5	128.5	475.0	460.4	+ 3.2%
Net Imports		175.7	265.5	620.3	571.4	+ 8.6%

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.